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O F F I C E O F N A T I O N A L E S T I M A T E S

17 May 1957

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: The Egyptian-Soviet Threat in the Yemen*

1. While world attention has been focused on Jordan and the Suez Canal, Egypt and the USSR have been steadily pushing ahead with their efforts to increase their influence in the Yemen. In view of their setback in Jordan and the hardening attitude of King Saud, Egypt and the USSR have a special incentive to consolidate their position in the Yemen before it is too late. The Imam's present coolness toward the US, as well as the UK, presents a favorable opportunity to do so. If the present trend continues unchecked, Cairo and Moscow are likely to end up with a beachhead on the Arabian Peninsula which not only threatens the British position in Aden but also provides a flanking position against Saud.

* The contents of this memorandum have been discussed with analysts in OCI, DD/P, and OIR who concur in them.

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2. The Soviet aspect of the campaign in the Yemen got under way in 1955 with the renewal of the 1928 Soviet-Yemeni Friendship Treaty. This was followed by revival of Soviet Bloc commercial activities and, in mid-1956, by a Soviet agreement to supply the Imam with a large quantity of arms, probably worth several times the \$9 million token payment which is to be made for them. Soviet shipments were interrupted by closure of the Suez Canal but have now been resumed. Some 50 Soviet Bloc technicians have been active in the Yemen in the past six months, and an agreement for Soviet construction of a Yemeni port on the Red Sea was announced in mid-April -- just a few days after the Imam indignantly rejected, as too small, the \$2 million in American aid offered by the Richards mission. The port development in addition to expediting handling of arms shipments, will reduce the Yemen's dependence on the British-controlled port of Aden for its foreign trade.

3. Meanwhile, Egypt, which has done much to encourage and facilitate the development of Soviet-Yemeni ties, has gone ahead with parallel activities of its own. Egyptian military training activities, including efforts to develop Yemeni fedayeen capabilities are apparently continuing. Cairo Radio continues to provide strong propaganda support to the Yemen's claims against the British in Aden.

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Moreover, the Egyptians are reinsuring themselves by covert support to the "Free Yemeni" movement which was active in abortive coups against the Imam in 1948 and 1955.*

4. The ill and eccentric Imam remains suspicious of the intentions of Cairo and Moscow, and probably still sees his acceptance of aid from them in terms of getting as much as he can from all sides. However, recent developments have at least temporarily increased his susceptibility to Soviet and Egyptian attentions. He is unhappy over the inability of the American-owned Yemen Development Company to produce important oil discoveries promptly, and unless the company is able to satisfy him fairly soon, his frustration could result in the expulsion of this sole element of American influence from the country. He is also probably still smarting over the fact that the Richards mission offered his country only one percent of the \$200 million aid authorized for the Middle East. Finally, he almost certainly continues to believe that Egyptian and Soviet willingness

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to help him provides a unique opportunity for pursuing the campaign against the British position in Aden to which he has committed himself.*

5. To what extent the Imam will succumb to Egyptian and Soviet influence is not yet certain. He could still withdraw into his former isolation and slam the door in the face of East, West, and Egyptians alike. He may take advantage of the visit of US Ambassador Wadsworth, which is to begin on 25 May, to attempt to develop at least some counterbalancing ties with the West -- perhaps including the establishment of a US diplomatic mission in the Yemen. However, his quarrel with the British and his unrealistic ambitions for large scale economic development are pushing him in the other direction, and in the absence of substantial Western political and economic support of the kind given to Saudi Arabia and, recently, to Jordan, there appears to be a good chance that within a year or two the Imam will become too emmeshed with the USSR and Egypt to extricate himself. Even if he attempts to do so, the fact that his is a primitive, widely unpopular regime based on a religious minority

* The Imam's eagerness to obtain Soviet support is reflected in recent publicity given by the Yemenis to a purported Soviet statement -- apparently concocted by the Yemenis themselves -- condemning "British aggression in South Yemen." [i.e., the Aden Protectorate].

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makes him especially vulnerable to a strongly-backed plot to overthrow him. A promising instrument for his replacement by a leftist-nationalist regime already exists in the Egyptian-backed "Free Yemeni" movement. This group is still in contact with dissident elements within the country which have in the past reportedly included even Crown Prince Badr.

6. The achievement by Egypt and the USSR of a preponderant influence over the Yemen would not in itself upset the present balance of power in the Middle East. Politically, it would not counterbalance Saudi's recent movement away from Egypt. Militarily, the primitive and ill-trained Yemeni army -- which consists of about 24,000 men and is not even capable of maintaining internal security -- is unlikely to become a potent new force in the area, even with the best of Soviet arms and advisors -- although it will become better able to harass the British in Aden and perhaps even the Saudis. However, a success in the Yemen at this time would be a great boost to Egyptian -- and perhaps even Soviet -- morale and would help Moscow and Cairo sustain their campaign in

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the Middle East at the time it appeared to be faltering. It would also serve to keep alive Nasser's dream of eventually establishing his control over the oil resources of the whole Arab world and would extend the Soviet "presence" in the area another long jump south to the edge of the Indian Ocean.

FOR THE BOARD OF NATIONAL ESTIMATES

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